METIS ENERGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199006289K)

APPLICATION FOR EXTENSION OF TIME TO COMPLY WITH RULE 1315 OF THE LISTING MANUAL

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Metis Energy Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcements made by the Company dated:

(a) 4 December 2018, in relation to the notification of the Company's inclusion on the watch-list of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") with effect from 5 December 2018, due to the financial entry criteria pursuant to Rule 1311 of the Listing Manual of the SGX-ST (the "**Listing Manual**");

(b) 8 March 2022, in relation to among others, the letter received by the Company from the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") informing the Company that SGX RegCo had no objection to the Company's application for an extension of time till 4 December 2022 with regard to compliance with Rule 1315 of the Listing Manual;

(c) 2 December 2022, in relation to among others, the letter received by the Company from SGX RegCo informing the Company that SGX RegCo had no objection to the Company's application for an extension of time till 4 December 2023 with regard to compliance with Rule 1315 of the Listing Manual (the "**Previous Application**"); and

(d) 10 November 2023, in relation to among others, the Company's application to SGX RegCo on 3 November 2023, for a 12-month extension to satisfy the requirements for the Company's removal from the watch-list (the "**Extension Application**").

2. EXTENSION OF TIME GRANTED BY SGX REGCO TO COMPLY WITH RULE 1315 OF THE LISTING MANUAL

2.1 The Board wishes to update its shareholders that SGX RegCo has, on 20 November 2023, in relation to the Extension Application, informed the Company that SGX RegCo has no objection to the Company's application for further extension of time till 4 December 2024 (the "**Waiver**") with regard to compliance with Rule 1315 of the Listing Manual, subject to the following:

(a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met.

Shareholders should note that the Waiver will not be effective if the above condition has not been fulfilled.

2.2 In addition, the Board wishes to highlight that:

(a) SGX RegCo reserves the right to amend and/or vary its decision and such decision is subject to changes in the policies of SGX RegCo; and

(b) the Company is required to make an immediate disclosure via SGXNet if it is/will be in contravention of any laws and regulations governing the Company and the constitution of the Company arising from the Waiver.

2.3 Following the release of this announcement, the Company has complied with the condition of the Waiver above.

3. REASONS FOR SEEKING THE WAIVER

3.1 The Company's market capitalisation and cash flow

(a) Pursuant to paragraph 4.2(1) of Practice Note 13.2 of the Listing Manual, an issuer may be granted an extension to the 36-month cure period, of up to 12 months if it satisfies at least one of the following requirements under Rule 1314 of the Listing Manual:

(i) records consolidated pre-tax profit for the most recently completed financial year (based on its audited full year consolidated accounts) (the "**Profit Criteria**"); and

(ii) has an average daily market capitalisation of S$40 million or more over the last 6 months (the "**Market Cap Criteria**").

Additionally, the issuer must also have achieved healthy cash flow from its operating activities (based on its audited full year consolidated accounts for the most recently completed financial year) (the "**Cash Flow Criteria**").

(b) As at the date of the Extension Application, while the Company has not satisfied the Profit Criteria, it has satisfied the Market Cap Criteria. This is because the Company had an average daily market capitalisation[1] of approximately S$161 million (which is approximately S$121 million (or approximately 303%) above the S$40 million criteria) over the last six (6) months. Additionally, the Company's average daily market capitalisation exceeded S$40 million over at least the last 24 months.

(c) In relation to the Cash Flow Criteria, the Company has achieved healthy cash flow from its operating activities for the financial year ended 31 December 2022 ("**FY2022**") (based on its audited full year consolidated accounts). If the Company were to disregard the property development segment, the Company would have achieved healthy cash flow from its operating activities for the financial year ended 31 December 2019 ("**FY2019**") (based on its audited full year consolidated accounts), for the financial year ended 31 December 2020 ("**FY2020**") (based on its audited full year consolidated accounts) and for the financial year ended 31 December 2021 ("**FY2021**") (based on its audited full year consolidated accounts). As a result of the dilution in the equity interest of the property development segment, the property development segment entities ceased to be subsidiaries of the Company and instead became associates of the Company with effect from May 2021. In addition, the Company has completed the disposal of the Company's remaining shareholding interest in Manhattan Property Development Pte. Ltd. ("**MPDPL**"), being the Group's last remaining business interest in the property development segment (the "**MPDPL Disposal**"), on 16 January 2023. The proceeds from the MPDPL Disposal will also be another source of capital expenditure, development cost, and working capital for the renewable energy business comprising on-grid and off-grid renewable energy business segments and selective clean energy power projects (the "**Renewable Energy Business**"). With the completion of the MPDPL Disposal on 16 January 2023, the net cash flow generated from operating activities in FY2022 was S$3,170,000, although the cash flow used in operating activities in the first half of 2023 (based on the unaudited financial statements for the six-month period ended 30 June 2023) ("**1HFY2023**") was S$5,159,000 and this is partly attributable to the capital expenditure incurred for the Renewable Energy Business.

[1] Computed based on the 6-month volume weighted average price x total no. of shares in the capital of the Company.

3.2 **The Company has taken active steps to return to profitability**

The Company has taken active steps since being placed on the watch-list and made concerted efforts to increase its profitability and for the Group to return to profitability. Some of these steps include the following:

(a) The Group has explored the viability of diversifying into new businesses

Some of the steps taken the Group has taken include the following:

(i) obtaining from Onward Capital Pte. Ltd. ("**OCP**L"), a loan facility up to a maximum principal amount of US$30 million ("**OCPL Loan**"), to finance the Group's capital expenditure for the Renewable Energy Business and general working capital requirements, to be disbursed in one or more tranches. The OCPL Loan was approved by the shareholders of the Company (the "**Shareholders**") at the extraordinary general meeting held on 5 January 2023;

(ii) securing a syndicated senior secured green loan (the "**Green Loan**"), which will be used to finance the development of rooftop solar projects in Vietnam and Indonesia, allowing Athena Energy Holdings Pte. Ltd., a wholly-owned subsidiary of the Company, to expand its pipeline of Commercial and Industrial ("**C&I**") rooftop solar projects, and contribute to more sustainable economic development. Please refer to the Company's media release on 26 May 2023 for more details; and

(iii) completing the Company's acquisition of 100% equity interest in a utility-scale Solar Farm project in Goondiwindi, Australia which boasts a capacity of 111 MWp DC / 94 MW AC ("**Project Gunsynd**"). Please refer to the Company's media release on 22 December 2022 for more details. This strategic acquisition provides the Group with immediate market access to Australia and lays the foundation for investments by the Company in renewable energy projects in Australia. As the Company continues to grow its portfolio in Australia, the experience gained in executing Project Gunsynd will stand the Group in good stead when developing its upcoming renewable energy project (comprising solar, wind and energy storage) in the region of New South Wales, Australia. As part of Project Gunsynd, the Group has secured a long-term power purchase agreement (the "**Project Gunsynd PPA**") with credible and bankable counterparties, with a full turn-key engineering, procurement and construction contract. The Project Gunsynd PPA will provide the Group with a steady stream of electricity revenue over an extended period. Early works on the site of Project Gunsynd have also started from 7 June 2023 and full-scale construction is scheduled to commence from the fourth quarter of 2023.

(b) The Group has reviewed the operations and viability of the Group's existing business and assets in energy, real estate and shipping sectors

Some of the steps taken after such review and since the Previous Application include the following:

(i) completing the MPDPL disposal, the Group's last remaining business interest in the property development segment. The proceeds from the MPDPL Disposal will be another source of capital expenditure, development cost, and working capital for the Renewable Energy Business; and

(ii) the proposed disposal of the coal-fired steam power plant in East Kalimantan through the sale of all the Company's indirect shareholding in the issued and paid-up share capital of PT Kariangau Power (the "**Proposed Disposal**"). Please refer to the Company's announcement dated 26 June 2023 and circular dated 8 November 2023 for more details. The proceeds of the

Proposed Disposal are intended to be deployed as capital expenditure, development cost, and working capital for the Company's diversification into the Renewable Energy Business.

3.3 **Market perception and confidence in the prospects of the Group**

Further to the Previous Application, in addition to securing the (a) Green Loan, which relates to the portfolio funding for the C&I projects in Vietnam and Indonesia and advisory services for renewable energy projects and (b) the OCPL Loan, the Group is exploring securing additional credit facilities to further support the growth and expansion of the Renewable Energy Business.

The Board believes that the foregoing demonstrates the confidence that investors, bankers and shareholders alike have in the future prospects of the Group and the Renewable Energy Business that the Group is proposing to enter into, and the ability of the Board and the Group to turn things around.

3.4 **A trading suspension may be detrimental to the interests of the minority shareholders of the Company**

With reference to facilities or loans that may be extended by financial institutions and/or shareholders of the Company, it is common for the relevant lender to, as a condition to the granting of the financing facilities or loan, impose that the trading of the shares of the Company must not be suspended and/or the shares must continue to be listed and quoted on the SGX-ST.

In the event that the trading in the Company's securities is suspended or if the Company is delisted, the occurrences of such events are typically regarded as events of default and will oblige the Company to immediately repay the loan. For example, it is an event of default under the OCPL Loan if the trading of the securities of the Company on the SGX-ST is suspended or if the Company is delisted from the SGX-ST. In such an event, there is no assurance that the Group will be able to obtain alternative funding on comparable terms or at all, or that any such alternative funding will be obtained in a timely manner to enable the Group to meet its financial obligations relating to both the Group's existing businesses and the new acquisitions in relation to the Renewable Energy Business that the Group is proposing to enter into. In addition, minority Shareholders will be adversely affected by the Company's suspension as the Company's shares become illiquid and it will be difficult for the minority Shareholders to realise their investment in the Company.

4. GENERAL

It is anticipated that with the grant of the Waiver, the Company will be on course to return to profitability and if and where required, the Company may re-apply for a fourth extension of 12 months in order to meet the requirements under Rule 1314 of the Listing Manual, including the Profit Criteria. The Board will update its shareholders if there are any material developments in this regard.

BY ORDER OF THE BOARD

Tang Kin Fei
Board Chairman
20 November 2023